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REPORT
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COMMERCIAL SPACE LAUNCH ACT

MAY 31, 1984.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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Mr. FUQUA, from the Committee on Science and Technology, submitted the following

REPORT

[To accompany H.R. 3942]

[Including cost estimate of the Congressional Budget Office]

The Committee on Science and Technology, to whom was referred the bill (H.R. 3942) to provide for commercialization of expendable launch vehicles and associated services, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

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I. AMENDMENTS

The amendments are as follows:

1. Strike all after the enacting clause and insert in lieu thereof the following:

SHORT TITLE

SECTION 1. This Act may be cited as the "Commercial Space Launch Act".

FINDINGS

SEC. 2. The Congress finds and declares that—

(1) the peaceful uses of outer space continue to be of great value and to offer benefits to all mankind;

(2) private applications of space technology have achieved a significant level of commercial and economic activity, and offer the potential for growth in the future, particularly in the United States;

(3) new and innovative equipment and services are being sought created, and offered by entrepreneurs in telecommunications, information services, and remote sensing technology;

(4) the private sector in the United States has the capability of developing and providing private satellite launching and associated services that would complement the launching and associated services now available from the United States Government;

(5) the development of commercial launch vehicles and associated services would enable the United States to retain its competitive position internationally, thereby contributing to the national interest and economic well-being of the United States;

(6) provision of launch services by the private sector is consistent with the national security and foreign policy interests of the United States and would be facilitated by stable, minimal, and appropriate regulatory guidelines that are fairly and expeditiously applied; and

(7) the United States should encourage private sector launches and associated services and, only to the extent necessary, regulate such launches and services in order to ensure compliance with international obligations of the United States and to provide for the national security, foreign policy, and public safety interests of the United States.

PURPOSES

SEC. 3. It is therefore the purpose of this Act—

(1) to promote economic growth and entrepreneurial activity through utilization of the space environment for peace purposes;

(2) to encourage the United States private sector to provide launch vehicles and associated launch services by simplifying and expediting the issuance of commercial launch licenses and by facilitating and encouraging the utilization of Government-developed space technology; and

(3) to designate an executive department to oversee and coordinate the conduct of commercial launch operations, to issue commercial launch licenses authorizing such activities, and to ensure that public safety, foreign policy, and national security interests of the United States are met.

DEFINITIONS

SEC. 4. For purposes of this Act—

(1) "agency" means an executive agency as defined by section 105 of title 5, United States Code;

(2) "launch" means to place, or attempt to place, a launch vehicle and payload, if any, in a suborbital trajectory, in Earth orbit in outer space, or otherwise in outer space;

(3) "launch site" means the location from which a launch takes place, as defined in any license issued by the Secretary under section 7 of this Act, and includes all facilities located thereon which are necessary to conduct a launch;

(4) "launch vehicle" means any vehicle constructed for the purpose of operating in, or placing a payload in, outer space, and any sounding rocket;

(5) "payload" means an object which a person undertakes to place in outer space by means of a launch vehicle, and includes subcomponents of the launch vehicle specifically designed or adapted for that object;

(6) "launch property" means tooling, propellants, launch vehicles and components thereof, and other physical items constructed for or used in the manufacture, launch preparation, or launch of a launch vehicle;

(7) "person" means any individual and any corporation, partnership, joint venture, association, or other entity organized or existing under the laws of any State or any nation;

(8) "Secretary" means the Secretary of Transportation;

(9) "State", and "United States" when used in a geographical sense, mean the several States, the District of Columbia, the Commonwealth of Puerto Rico, American Samoa, the United States Virgin Islands, Guam, and any other commonwealth, territory, or possession of the United States; and

(10) "United States citizen" means—

(A) any individual who is a citizen of the United States;

(B) any corporation, partnership, joint venture, association, or other entity organized or existing under the laws of the United States or any State;

(C) any corporation, partnership, joint venture, association, or other entity (whether organized or existing the laws of a State or a foreign nation) if the controlling interest in such entity is held by an individual or entity described in subparagraph (A) or (B).

GENERAL RESPONSIBILITIES OF THE SECRETARY AND OTHER AGENCIES

SEC. 5. (a) The Secretary shall be responsible for carrying out this Act, and in doing so shall—

(1) encourage, facilitate, and promote commercial space launches by the private sector; and

(2) consult with other agencies to provide consistent application of licensing requirements under this Act and to ensure fair and equitable treatment for all license applicants.

(b) To the extent permitted by law, Federal agencies shall assist the Secretary as necessary in carrying out the provisions of this Act.

REQUIREMENT OF LICENSE FOR PRIVATE SPACE LAUNCH OPERATIONS

SEC. 6. (a) No person shall launch a launch vehicle or operate a launch site within the United States and no United States citizen shall lauch a launch vehicle or operate a launch site outside the United States unless authorized to do so under a license issued under this Act.

(b) No United States citizen or other person who holds a license issued under this Act my launch a payload unless that payload complies with all requirements of Federal law. The agency having primary authority under any such Federal law shall determine such compliance and shall certify such determination to the Secretary. The Secretary may take such action under this Act as the Secretary deems necessary to present the launch of a payload by a holder of a license issued under this Act if the Secretary determines, after consultation with other appropriate agencies, that the launch of such payload would jeopardize safety of life and property or the national security and foreign policy interests of the United States.

(c) Except for a license issued under this Act (and any approval, waiver, or exemption required as a condition of such license) and licenses issued under the Federal Communications Act of 1934, as amended, no license, approval, waiver, or exemption need be obtained by a person from any Federal agency for the launching vehicle or the operation of a launch site.

AUTHORITY TO ISSUE AND TRANSFER LICENSES

SEC. 7. The Secretary is authorized to issue or transfer a license for launching one or more launch vehicles or for operating one or more launch sites, or both, to an applicant who meets the requirements of this Act and the regulations issued by the Secretary under this Act. Any license issued under this section shall be in effect for such period of time as the Secretary may specify, in accordance with the procedures specified under section 13 of this Act.

LICENSING REQUIREMENTS

SEC. 8. (a) The Secretary shall prescribe by regulation requirements for the issuance or transfer of a license under section 7 of this Act.

(b) In prescribing licensing requirements under subsection (a) of this section, the Secretary shall consult with appropriate agencies to ensure that such requirements are consistent with existing law and treaties only to the extent the Secretary deems necessary to ensure that private launch operations satisfy national security, public safety, and foreign policy concerns of the United States. The Secretary may prescribe any additional requirements that are necessary to ensure that private launch operations satisfy national security, public safety, and foreign policy concerns of the United States.

(c) After consultation with appropriate agencies, the Secretary may in individual cases, waive the application of any requirement prescribed under subsection (a) with respect to a license if the Secretary determines that such waiver is in the public interest and will not jeopardize safety of life or property or the national security and foreign policy interests of the United States.

LICENSE APPLICATION AND APPROVAL

SEC. 9. (a) Any person may apply to the Secretary for issuance or transfer of a license under this Act, in such form and manner as the Secretary may prescribe. The Secreatry shall establish procedures and timetables to expedite review of applications under this section and to reduce regulatory burdens for applicants.

(b) The Secretary shall issue or transfer a license to an applicant if the Secretary determines in writing, after consultation with appropriate agencies, that the applicant complies and will continue to comply with the requirements of this Act and the regulations under this Act. The Secretary shall include in such license such conditions as may be necessary to ensure compliance with this Act and the regulations issued under this Act. The Secretary shall make a determination on any application not later than 120 days after receipt of such application. If the Secretary has not made a determination within such 120-day period, the Secretary shall inform the applicant of any pending issues and of actions required to resolve such issues.

(c) Neither the Secretary nor any other officer or employee of the United States may disclose any data or information under this Act which qualifies for exemption under section 552(b)(4) of title 5, United States Code, or is designated as confidential by the person or agency furnishing such data or information, unless the Secretary determines that the withholding thereof is contrary to the public or national interest.

SUSPENSION, REVOCATION, AND MODIFICATION OF LICENSES

SEC. 10. (a) The Secretary may suspend or revoke any license issued under this Act if the Secretary finds and notifies the licensee in writing, after consultation with appropriate agencies, that the licensee has substantially failed to comply with any provision of this Act, the license, or any regulation issued under this Act, or that the suspension or revocation is necessary upon the basis of any foreign policy or national security concern of the United States.

(b) Upon application by the licensee or upon his or her own initiative, the Secretary may modify a license issued under this Act, if the Secretary finds and notifies the licensee in writing that the modification will comply with the requirements of this Act and the regulations issued under this Act.

(c) An order suspending, revoking, or modifying a license under this section shall take effect 30 days after it is issued unless the licensee seeks review under section 12(a)(2) within such 30-day period.

EMERGENCY ORDERS

SEC. 11. (a) The Secretary is authorized to immediately terminate, prohibit, or suspend any operation licensed by the Secretary if the Secretary, after consultation with the Secretary of Defense and the Secretary of State, as appropriate, determines that such operation is detrimental to safety of life and property or to the national security or foreign policy interests of the United States.

(b) An order terminating, prohibiting, or suspending any operation licensed by the Secretary under this section shall take effect immediately and shall continue in effect during any review of such order under section 12.

ADMINISTRATIVE AND JUDICIAL REVIEW

SEC. 12. (a)(1) An applicant for a license and a proposed transferee of a license under this Act shall be entitled to a determination on the record after an opportunity for a hearing in accordance with section 554 of title 5, United States Code, of any decision of the Secretary under section 9(b) to issue or transfer a license with conditions or to deny the issuance or transfer of such license.

(2) A licensee under this Act shall be entitled to a determination on the record after an opportunity for a hearing in accordance with section 554 of title 5, United States Code, of any decision of the Secretary under section 10 to suspend, revoke, or modify a license.

(3) A licensee under this Act shall be entitled to a determination on the record after an opportunity for a hearing in accordance with section 554 of title 5, United States Code, of any decision of the Secretary under section 11 to terminate, prohibit, or suspend any operation licensed by the Secretary.

(b) Any final action of the Secretary under this section to issue, transfer, deny the issuance or transfer of, suspend, revoke, or modify a license or to terminate, prohibit, or suspend any operation licensed by the Secretary shall be subject to judicial review as provided in chapter 7 of title 5, United States Code.

REGULATIONS

SEC. 13. The Secretary is authorized to issue such regulations, after notice and comment in accordance with section 553 of title, 5, United States Code, as may be necessary to carry out this Act.

MONITORING OF ACTIVITIES OF LICENSEES

SEC. 14. Each license issued or transferred under this Act shall require the licensee—

(1) to allow the Secretary to place Federal officers or employees as observers at any launch site used by the licensee and at any production facility or assembly site used by a contractor of the licensee in the production or assembly of a launch vehicle or its payload and, in order to monitor the activities of the licensee or contractor at such time and to such extent as the Secretary deems reasonable and necessary to determine compliance with the license; and

(2) to cooperate with such observers in the performance of monitoring functions.

USE OF GOVERNMENT PROPERTY

Sec. 15. (a) The Secretary shall take such actions as may be necessary to facilitate and encourage the acquisition by lease, sale, or otherwise, by the private sector of launch property or services of the United States which is excess or is otherwise not for the time needed for public use.

(b) Notwithstanding any other provisions of law, the Secretary may, after consultation with other affected agencies of the United States, establish and collect from any person a reimbursement for the lease, sale, or other use of launch property, launch services, launch vehicles and components thereof, and launch support equipment of the United States. The amount of any reimbursement, in the case of temporary use, shall be established in an amount equal to the direct costs, including any specific wear and tear or damage to the property or facilities, and salaries of United States civilian and contractor personnel incurred by the United States as a result of such use. The amount of any such proceeds in the case of sales shall be fair market value or value of benefit to the recipient, which is greater. The amount of any such reimbursement or proceeds of sales shall be deposited in the general fund of the Treasury, except that payments for utilities or services furnished by any agency to a buyer or lessee under this section shall be covered into the Treasury to the credit of the appropriation from which the cost of furnishing them was paid.

(c) The Secretary may, after consultation with the other affected agencies of the United States, establish requirements for liability insurance, hold harmless agreements, proof of financial responsibility, and such other assurances as may be needed to protect the United States, its agencies and personnel from liability or loss or injury as a result of commercial space launch activities involving Government facilities or personnel.

LIABILITY INSURANCE

SEC. 16. Each person who launches a launch vehicle or operates a launch site under a license issued under this Act shall have in effect liability insurance in an amount prescribed by the Secretary which is sufficient at a minimum to satisfy international obligations of the United States.

ENFORCEMENT AUTHORITY

SEC. 17. (a) The Secretary shall be responsible for the administration and enforcement of the provisions of this Act. The Secretary is authorized to delegate the exercise of any enforcement authority under this Act to any officer or employee of the Department of Transportation or of any other agency with the approval of the head of such agency.

(b) In carrying out this section, the Secretary may—

(1) make investigations and inquiries, and administer to or take from any person an oath, affirmation, or affidavit, concerning any matter relating to enforcement of this Act; and

(2) with or without a warrant or other process—

(A) enter at any reasonable time any launch site or production facility or assembly site of a launch vehicle and its payload, if any, for the purpose of conducting any inspection of, and inspect, any object which is subject to the provisions of this Act and any records or reports required by the Secretary to be made or kept under this Act; and

(B) seize any such object, record, or report where it reasonably appears that such object, record, or report was used in violation of this Act.

PROHIBITED ACTS

SEC. 18. It is unlawful for any person to violate any requirement of this Act, a regulation issued under this Act, or any term, condition, or restriction of any license issued by the Secretary under this Act.

CIVIL PENALTIES

SEC. 19. (a) Any person who is found by the Secretary, after notice and opportunity to be heard on the record in accordance with section 554 of title 5, United States Code, to have committed any act prohibited by section 18 shall be liable to the United States for a civil penalty of not more than $100,000 for each violation. Each day of a continuing violation shall constitute a separate violation. The amount of such civil penalty shall be assessed by the Secretary by written notice. The Secretary may compromise, modify, or remit, with or without conditions, any civil penalty which is subject to imposition or which has been imposed under this section.

(b) If any person fails to pay a civil penalty assessed against such person after the penalty has become final, or in any case in which such person appeals an order of the Secretary after the appropriate court has entered final judgment in favor of the Secretary, the Secretary shall recovery the civil penalty assessed in any appropriate district court of the United States.

(c) For the purposes of conducting any hearing under this section, the Secretary may issue subpenas for the attendance and testimony of witnesses and the production of relevant papers, books, documents, and other records, and may administer oaths, and may seek enforcement of such subpenas in the appropriate district court of the United States.

AUTHORIZED APPROPRIATIONS

SEC. 20. There are authorized to be appropriated to the Secretary $4,000,000 for fiscal year 1985 and such sums as may be necessary to carry out the provisions of this Act for fiscal years 1986, 1987, 1988, and 1989.

EFFECTIVE DATE

SEC. 21. (a) Except for the authority to issue regulations, this Act shall take effect one hundred and eighty days after the date of enactment of this Act.

(b) Regulations to implement this Act shall be promulgated not later than 180 days after the date of enactment of this Act.

RELATIONSHIP TO STATE LAW

SEC. 22. The authority of States to regulate space launch activities within their jurisdictions, or that affect their jurisdictions, is unaffected by this Act, but the Secretary is authorized, and shall make every effort, to consult with the States to simplify and speed the overall process of approval of space launch activities.

RELATIONSHIP TO OTHER LAW

SEC. 23. (a) A launch vehicle shall not by reason of the launching of such vehicle, be considered an export for purposes of any law controlling exports.

(b) Nothing in this Act shall apply to the launch or operation of a launch vehicle, the operation of a launch site, or any other space launch activity carried out by the United States, or any planning or policies relating to any such launch, operation or activity.

REPORT ON LEGISLATION

SEC. 24. Not later than one year after the date of enactment of this Act, the Secretary shall submit to Congress a report describing all activities undertaken pursuant to this Act, including a description of the process for the application for and approval of licenses under this Act and recommendations for legislation that may further commercial launch activities. Such report shall also identify Federal statutes, treaties, regulations, and policies which may have an adverse effect on commercial space launch operations and include recommendations on appropriate changes thereto.

2. Amend the title so as to read:

"A bill to facilitate commercial space launches, and for other purposes.".

II. PURPOSE OF THE BILL

The purposes of the bill are (1) to promote economic growth in the United States by encouraging the private sector to provide space launch services and utilize space for peaceful purposes; (2) to simplify and expedite the process of licensing commercial launch operations and facilitate commercial application of government-developed space technology; and (3) to assign principal responsibility to a single agency in the Executive Branch (the Department of Transportation) for promoting and overseeing commercial launch operations and for issuing and enforcing licenses to conduct such activities.

III. NEED FOR LEGISLATION

In 1972, the United States embarked on a long-term effort to develop and operate a reusable space transportation system, the Space Shuttle. This decision reflected a policy determination whereby the government would rely on the Space Shuttle when it became operational for its space launch needs in lieu of expendable launch vehicles. The Space Shuttle has now reached operational status and NASA funding for expendable launch vehicles (ELVs) will cease at the end of fiscal year 1984. This phase-out coincides with a government effort to encourage and facilitate the takeover of government ELV launch systems and the development of new space launch services by private industry. This effort is consistent with President Reagan's National Space Policy of 1982 and the President's policy directive of 1983 on commercialization of expendable launch vehicles which affirms that the government will encourage private sector investment and involvement in civil space activities and will facilitate commercialization of ELVs. The Com-

mittee has consistently advocated this policy but believes that legislation is required to implement this policy successfully.

Government supervision over the activities of private parties who provide commercial launch services must be exerted to safeguard life and property, to prevent actions that would jeopardize national security and foreign policy, and to ensure that U.S. treaty obligations, such as those in the Outer Space Treaty, are met. No single legislative authority now exists to address these concerns as they relate to the activities of private parties. The current mechanism for exercising control over commercial launch operations is an adapted procedure involving a multitude of federal agencies relying on statutes and regulations that have been interpreted and adapted for use as regulatory scheme for the control of commercial launch operations. The Committee believes that it is inappropriate to use these statutes and regulations (compiled and appearing in Appendix A) which were written before commercial launch operations were envisioned.

The Committee anticipates that world market demand for launch services will increase and that expansion of U.S. commercial launch services is desirable to enhance domestic economic activity and U.S. competitiveness in capturing the space launch market. The current ad hoc approach to government control of private launch activities, however, works against expansive and efficient development of a viable commercial launch service industry. This uncoordinated government decisionmaking process with control exercised by multiple agencies based on their independent interpretations of their legal authority and regulations present industry with a climate of regulatory uncertainty. History has demonstrated that such an approach to government decisionmaking can stifle industrial growth and substantially increase the cost and development time for technology based systems.

In testimony before the Committee, industry urged replacement of the current legal and regulatory framework used to govern commercial launch activities. According to testimony, a more effective system is one that would centralize the government decisionmaking process for approving commercial space launches. Such a consolidation of authority would facilitate the establishment of a stable regulatory climate, reducing uncertainty and investment risk. Industry and Administration witnesses also testified in support of designating a single lead agency in the Executive Branch to oversee and promote commerical launch services and to facilitate the acquisition of government launch property and launch support services.

In light of these developments, on February 24, 1984, the President issued an executive order (E.O. 12465) designating the Department of Transportation (DOT) as the lead agency for commercial space launch operations. The purpose of the executive order was to create a focal point within the Federal Government for private sector space launch contacts related to commercial ELV operations and to promote and coordinate commercial ELV operations. The executive order (see Appendix B) delineated other responsibilities of the Secretary of Transportation. The executive order was positively received by the Committee as a significant step toward improving the governmental processes related to commercial launch

activities. However, following hearings, study and analysis, the Committee concluded that the administrative designation of a lead agency for commercial ELV operations could prove inadequate since the lead agency's responsibilities would not be underpinned by legislative authority. The result could inhibit decisionmaking and interagency coordination and allow the present inefficient approaches to commercial launch approvals to persist. The Committee proceeded with legislation to consolidate the commercial launch approval process. The Committee has sought to develop legislation that empowers a single agency to develop licensing requirements tailored to the commercial launch approval process, issue and enforce such licenses, and assist industry in the acquisition of space technology. H.R. 3942, as amended, represents this legislation.

IV. LEGISLATIVE HISTORY AND COMMITTEE ACTIONS

H.R. 3942 represents the culmination of legislative efforts by the Committee to devise through legislation a regulatory framework for the control and promotion of the commercialization of space launch services.

H.R. 3942, introduced in the House on September 21, 1983, is the successor legislation to H.R. 1011 in the 98th Congress and H.R. 7411 in the 97th Congress.

Following Committee hearings in May 1983 on Space Commercialization, the Subcommittee on Space Science and Applications proceeded to consider H.R. 1011 which provided for the commercialization of expendable launch vehicles and associated services. H.R. 1011, introduced by Mr. Akaka on January 27, 1983, with 50 cosponsors, designated the Department of Commerce as the principal Federal agency with responsibility to issue commercial launch licenses, and to oversee and promote such operations. On August 3, 1983, the Subcommittee on Space Science and Applications met to mark up H.R. 1011, but deferred final consideration pending a decision by the President to designate an agency within the Executive Branch to regulate space launches. While the decision was pending, H.R. 3942 was introduced on September 21, 1983, reflecting the Subcommittee's amendments to date to H.R. 1011.

On November 16, 1983, the President designated the Department of Transportation as the lead agency for the commercialization of expendable launch vehicles. On November 18, 1983, the Subcommittee on Space Science and Applications received testimony from the Secretary of Transportation, Elizabeth Dole. Based on this testimony, H.R. 3942 was redrafted and circulated to the Administration and industry for comment. On March 29, 1984, the Subcommittee held a second hearing to receive testimony from the Department of Transportation and the Department of State on matters related to the bill.

On April 5 and 11, 1984, the Subcommittee met to mark up H.R. 3942 and ordered reported to the Full Committee an amendment in the nature of a substitute to H.R. 3942.

On May 10, 1984, the Full Committee met to mark up H.R. 3942 and adopted the Subcommittee's report and several amendments. On May 23, 1984, the Committee resumed and concluded the markup and H.R. 3942 was ordered reported by voice vote, a

quorum being present, with an amendment in the nature of a substitute.

V. EXPLANATION OF BILL

A. General Summary of H.R. 3942

H.R. 3942, centralizes the government approval process for commercial space launch activities by designating the Department of Transportation as the principal agency within the Federal Government for promoting and overseeing commercial space launch activities. Government launch operations are exempt from the requirements of this Act.

The bill would require a person engaged in non-government launch operations in the United States and a U.S. citizen conducting such operations outside the United States to have a license authorizing such activities. The Secretary is empowered to issue these licenses which would subsume all licenses and approvals required under existing federal law, except those required under the Federal Communications Act of 1934, as amended. Launch licensing requirements would comprise only those existing statutory and U.S. treaty requirements as well as any new requirements that are absolutely necessary to provide for public safety, foreign policy, and national security. Any prescribed licensing requirement could be waived by the Secretary with respect to any licensed operation if such action would not jeopardize public safety, foreign policy, and national security. The Secretary would make licensing decisions in consultation with other agencies having expertise, authority, or responsibility with respect to any activity proposed in a license application. The Secretary could suspend, revoke, or modify a license. Any determination rendered by the Secretary would be subject to appeal.

The bill would assign to the Secretary enforcement authority over licenses issued under the Act, which the Secretary may delegate to other agencies. This authority would allow for monitoring and inspection of licensees to ensure compliance with a license and for seizing evidence. The Secretary would also be authorized to issue emergency orders, after consultation with the Secretaries of State and Defense, as appropriate, to terminate, prohibit, or suspend on an immediate basis any licensed operation if such action is necessary for public safety, foreign policy, or national security reasons.

The bill would further promote commercial space launches by authorizing the Secretary to facilitate the lease or purchase of government launch property and launch related services by private parties. State law is not preempted by this legislation. In addition, the approval process for pay loads launched by holders of licenses under this Act is unaffected by this bill and remains as provided under existing law.

The bill authorizes appropriations of $4 million for fiscal year 1985, and such sums as may be necessary for fiscal years 1986–1989. Finally, within one year following enactment, the Secretary is required to report on the activities undertaken pursuant to the Act, and to make recommendations on additional legislation that might further commercial launch operations.

B. Sectional Analysis of H.R. 3942

SEC. 1. *Short Title.*—"Commercial Space Launch Act"

SEC. 2. *Findings.*—Affirms that the United States private sector has the capability to provide commercial launch services and that the government can create a climate conducive to the development and utilization of such capability by establishing stable, minimal, and appropriate regulatory guidelines that are fairly and expeditiously applied and by facilitating the acquisition of government-developed space technology by the private sector. Government supervision of private launch activities through regulation is necessary to ensure compliance with U.S. international obligations and to safeguard national security, foreign policy, and public safety.

SEC. 3. *Purposes.*—The purposes of this Act are to:

(1) promote economic growth by encouraging the private sector to provide launch services and utilize space for peaceful purposes;

(2) simplify and expedite the issuance of commercial launch licenses and facilitate the commercial utilization of government-developed expendable launch vehicle technology; and

(3) designate a single agency (the Department of Transportation) to oversee commercial launch operations and issue licenses authorizing such activities.

SEC. 4. *Definitions.*

SEC. 5. *General Responsibilities of the Secretary and Other Agencies.*—(a) Assigns the responsibility for carrying out this Act to the Secretary of Transportation. The Secretary is directed to consult with other appropriate agencies in fulfilling these responsibilities.

(b) To the extent permitted by law, and as necessary, Federal agencies are directed to assist the Secretary in carrying out the Act.

SEC. 6. *Requirement of License for Private Space Launch Operations.*—(a) Requires a person to have a license issued under this Act in order to launch a launch vehicle or operate a launch site within the United States. Citizens of the United States must also be licensed under this Act to perform such activities outside the United States.

(b) Payloads launched by persons licensed under this Act must comply with all requirements of Federal law before they may be launched. Payloads are not otherwise required to be licensed by the Secretary. Agencies with authority under law shall be responsible for determining compliance and shall notify the Secretary of their determination. Those agencies may take actions based on their legal authority to prevent the launch of a payload by persons licensed under this Act. In addition, the Secretary is authorized to prevent the launch of a payload by a person licensed under the Act if the Secretary determines, following consultation with other agencies, that the launch of the payload would jeopardize safety of life or property or is contrary to national security and foreign policy interests of the United States.

(c) The license required under this Act subsumes all other licenses that may be required under existing law, except for licenses required under the Federal Communications Act of 1934, as amended. Nothing in the Act would relieve any person of the need to

comply with all applicable international agreements and the procedures required thereunder.

SEC. 7. *Authority to Issue and Transfer Licenses.*—Authorizes the Secretary to issue or transfer commercial launch licenses for such periods as the Secretary may specify to applicants who satisfy the requirements of this Act and the regulations issued under this Act. Such licenses may authorize the holder to launch one or more launch vehicles or operate one or more launch sites, or both, subject to the terms, conditions, and restrictions applied thereto by the Secretary.

SEC. 8. *Licensing Requirements.*—(a) Authorizes and directs the Secretary to prescribe by regulation requirements for the issuance or transfer of licenses required under this Act.

(b) In prescribing these licensing requirements, the Secretary is directed to review the requirements of existing applicable laws and treaties and to incorporate only those requirements associated thereto that are necessary to provide for public safety, national security, and foreign policy concerns, after consultation with the appropriate agencies. The Secretary may prescribe any additional requirements that are not satisfied under existing applicable laws and treaties, and that are necessary to provide for public safety, national security, and foreign policy.

(c) Authorizes the Secretary, after consultation with appropriate agencies, to waive the application of any licensing requirement prescribed under this section if such action is in the public interest and will not jeopardize life and property or national security and foreign policy interests of the United States.

SEC. 9. *License Application and Approval.*—(a) Allows any person to apply for issuance or transfer of a license under this Act in a form and manner prescribed by the Secretary. The Secretary is directed to expedite review of applications and reduce regulatory burdens for applicants.

(b) Authorizes the Secretary to issue or transfer a license if the Secretary determines, after consultation with other agencies, that the applicant complies and will continue to comply with the requirements and regulations under the Act. The Secretary is required to notify the applicant of this determination in writing. Any license issued by the Secretary shall include conditions necessary to ensure compliance with the Act and its regulations. The Secretary shall make a determination with respect to a license application within 120 days of receipt of the application. If the Secretary is unable to make a determination on an application within 120 days of its receipt, the Secretary shall inform the applicant of pending issues and actions required to resolve them.

(c) Prohibits disclosure by the Secretary or any other government officer or employee of any information provided by a license applicant which qualifies for exemption under the Freedom of Information Act as a business or trade secret, or is designated as confidential by the person or agency furnishing such data or information, unless the Secretary determines the withholding thereof is contrary to the public or national interest.

SEC. 10. *Suspension, Revocation, and Modifications of Licenses.*—(a) Authorizes the Secretary, after consultation with other appropriate agencies, to suspend or revoke any license issued under this

Act, following a determination that the licensee has substantially failed to comply with the Act and any regulation issued thereunder, or the license, or that the suspension or revocation is necessary upon the basis of any foreign policy or national security concern of the United States. The Secretary is required to notify a license holder in writing of any proposed suspension or revocation.

(b) Authorizes the Secretary to modify a license upon application by the licensee or upon the Secretary's initiative, if the Secretary finds and notifies the licensee in writing that the modification will comply with the act and its implementing regulations.

(c) Suspensions, revocations, or modifications of licenses shall take effect 30 days after notice to the licensee unless administrative or judicial review is sought by the licensee, in which case the licensee may continue licensed operations until a final determination is made.

SEC. 11. *Emergency Orders.*—(a) Authorizes the Secretary to issue emergency orders to terminate, prohibit, or suspend on an immediate basis any operation licensed by the Secretary if the Secretary determines, after consultation with the Secretaries of Defense and State, as appropriate, that such operation will be detrimental to safety of life or property or to foreign policy or national security interests of the United States.

(b) Any order issued under this section to terminate, prohibit or suspend any operation licensed by the Secretary shall take effect immediately and continue in effect during any review of such order as provided for under Section 12.

SEC. 12. *Administrative and Judicial Review.*—(a) Provides license applicants and license holders administrative review in accordance with Sec. 554 of Title 5, U.S. Code of any decision of the Secretary to issue, transfer, deny the issuance or transfer of, suspend, revoke, or modify a license under this Act, or terminate, prohibit or suspend any operation licensed by the Secretary.

(b) Final decisions under this section are subject to judicial review in accordance with Chapter 7 of Title 5, U.S. Code.

SEC. 13. *Regulations.*—Provides the Secretary general authority to issue regulations necessary to implement this Act, after notice and comment in accordance with Sec. 553 of Title 5, U.S. Code.

SEC. 14. *Monitoring of Activities of Licensees.*—Requires licensees under this Act to allow and to cooperate with Federal officers or employees authorized by the Secretary to observe licensed operation, including launch sites, production facilities or assembly sites used by a contractor of the licensee in the production or assembly of a launch vehicle or its payload and in the integration of a payload with its launch vehicle. Such observance shall only be that considered necessary to determine compliance with a license issued under this Act.

The authority to monitor payload assembly or construction assigned to the Secretary under this section is provided in order to ensure that the Secretary is able to carry out his or her responsibilities under Section 6(b) of the bill. That Section authorizes the Secretary to prevent a launch of an unlicensed payload by a holder of a license issued under the Act if the Secretary determines, in consultation with other appropriate agencies, that the launch of a payload would jeopardize safety of life and property or is contrary

to the national security and foreign policy interests of the United States.

SEC. 15. *Use of Government Property.*—(a) Authorizes the Secretary to take actions necessary to facilitate and encourage private sector acquisition by lease, sale or other means of government launch property or services that are in excess or not for the time needed by the government at the time of the proposed use.

(b) Notwithstanding any other provisions of law, the Secretary is authorized to establish and collect a fee from any person for the lease, sale, or other use of government launch property or launch services. In the case of temporary use, the amount of reimbursement charged to the user shall be equal to the direct cost of items and services consumed. In the case of sales, the purchase price charged shall be equal to the fair market value or value of benefit to the recipient, whichever is greater, of the item(s) being sought. "Fair market value" shall be determined on the basis of what the item(s) would sell for on the open market. "Value of benefit to the recipient" shall be set at no more than an amount that does not unduly impair a person's ability to realize a reasonable return-on-investment in the space venture engaged by that person. Reimbursements and proceeds from sales are to be deposited in the general fund of Treasury with payments for utilities and services furnished by an agency credited to the appropriation account of that agency.

(c) Authorizes the Secretary to establish requirements as may be necessary to protect the government and its employees from liability, loss, or injury resulting from activities licensed under this Act that involve government facilities and personnel.

SEC. 16. *Liability Insurance.*—Requires licensees under this Act to have liability insurance in an amount determined by the Secretary, in consultation with the Department of State, which shall be sufficient at a minimum to satisfy international obligations of the United States.

SEC. 17. *Enforcement Authority.*—(a) The Secretary shall be responsible for enforcement of this act and may delegate such authority to other agencies with their consent.

(b) For enforcement purposes, the Secretary is authorized to make investigations, administer oaths, conduct inspections, and seize evidence.

SEC. 18. *Prohibited Acts.*—Violation of any requirement of this Act, any regulation issued under this Act, or any provision of a license is unlawful.

SEC. 19. *Civil Penalties.*—(a) Any person found by the Secretary, after notice and opportunity to be heard on the record, to have committed a prohibited act as defined in Sec. 18, is subject to a civil penalty imposed by the Secretary of up to $100,000 for each violation. The assessment of any such penalty shall be by written notice and is subject to appeal. Authorizes the Secretary to compromise, modify, or remit any civil penalty.

(b) Directs the Secretary to seek enforcement of civil penalties in the appropriate district court of the United States in any case where a person fails to pay a civil penalty assessed against them after the penalty has become final or after final judgement has been entered in favor of the Secretary.

(c) Authorizes the Secretary to issue subpenas and seek their enforcement in the appropriate district court of the United States.

SEC. 20. *Authorized Appropriations.*—Authorizes appropriations of $4 million for FY 1985 to implement this Act, and such sums as may be necessary for fiscal years 1986 through 1989.

SEC. 21. *Effective Date.*—(a) Establishes effective date 180 days after enactment, except for authority to issue regulations which becomes effective upon enactment.

(b) Implementing regulations are to be promulgated 180 days after enactment.

SEC. 22. *Relationship to State law.*—Authority of States to regulate space launch activities within their jurisdiction is unaffected by this Act.

SEC. 23. *Relationship to Other Law.*—(a) Establishes that the launching of a launch vehicle shall not be considered an export for purposes of any law controlling exports.

(b) Exempts the launch or operation of a launch vehicle, or the operation of a launch site, or any other space launch activity carried out by the United States Government such as the Space Shuttle operated by the National Aeronautics and Space Administration, or any planning or policies relating to any such launch, operation or activity from the authority provided under this Act, the requirements of this Act, and any regulation promulgated under this Act.

SEC. 24. *Report on Legislation.*—Directs the Secretary to submit a report to Congress one year after enactment which describes activities undertaken pursuant to this Act including recommendations, including legislative proposals, to further commercial launch activities. In preparing this report, the Secretary is directed to consider and report on the effect of existing State law on commercial launch activities.

VI. ISSUES ADDRESSED IN THE BILL

Current Process for Controlling Commercial Space Launches

In the absence of this legislation, the mechanism for exercising government control over commercial launch operations is an ad hoc process involving a multitude of agencies, statutes, and regulations, a compilation of which appears in Appendix A. At a minimum, a commercial launch operator is required to obtain (1) a license under the Arms Export Control Act from the Department of State, (2) an experimental radio license from the Federal Communications Commission, and (3) an exemption or clearance from the Federal Aviation Agency for use of controlled airspace. In addition to these, as many as fifteen other licenses or approvals may be required depending on the characteristics of the proposed launch activity.

The Committee carefully evaluated the existing legal framework that may be used to govern commercial launch activities and concluded that significant deficiencies exist within it. The existing law and their implementing regulations were written before commercial launch operations were even envisioned. With the emergence of commercial launch activities, the interpretation of these laws and regulations has been extended to cover these activities. In

some cases this was appropriate; in others it was not. The case with the Arms Export Control Act and its implementing regulations, the International Traffic in Arms Regulations (ITAR) illustrates this situation.

The ITAR is a statutory mechanism for the regulation of U.S. armaments and is designed to address foreign policy and national security concerns. Originally designed to control munitions exports from the United States, their application has been extended to the launch of launch vehicles and payloads, which are included on a munitions list of defense articles subject to export restrictions, licensing procedures, and enforcement. Such control was not intended to apply to the launch into space of items having commercial purposes, yet ITAR licensing has been used by the Administration as a temporary solution to the lack of regulatory control over commercial launch operations. The inappropriateness and inadequacy of this regulatory mechanism, especially with respect to technical safety, was demonstrated with the experiences of the first several commercial launch applications processed by the government.

In examining the applicability of statutes like the Arms Export Control Act to commercial launch operations, the Committee found that the present situation creates confusion and unnecessary burdens which are serious impediments for a fledgling commercial space launch industry. Thus, the Committee has sought to establish through legislation a single, comprehensive regulatory mechanism for government facilitation and supervision of commercial launch operations. This action is reflected in H.R. 3942.

Lead Agency for Commercial Launch Operations

H.R. 3942 centralizes within the Executive Branch currently dispersed authorities and responsibilities related to commercial launch applications. The bill designates the Department of Transportation as the lead agency for the promotion and control of commercial launch operations.

The Committee believes that the development of commercial launch vehicles and associated services would contribute to the national interest and economic well-being of the United States, and enable the United States to retain its competitive position internationally. The development of this legislation parallels the emergence of a commercial space launch industry and responds to the early experiences of industrial participants in the commercial launch industry. According to testimony received by the Committee, those experiences have indicated that fledgling commercial space businesses would greatly benefit from a regulatory climate conducive to the growth and maintenance of private sector capability in commercial launch services.

H.R. 3942 seeks this end by designating and vesting comprehensive authority in an executive department, the Department of Transportation. The bill defines the principal functions of this authority, which are:

—To issue and enforce launch licenses for the conduct of commercial launch operations;

—To facilitate the lease and acquisition of government launch property and support services by the private sector;

—To ensure that private launch activites comply with the international obligations of the United States and provide for the national security, foreign policy and public safety interests of the United States;
—To identify adverse effects of Federal statutes, treaties, regulations and policies and the ramifications of state laws on commercial launch operations.

Lead Agency Authority Relative to Government Launch Activities

The bill confers upon the Department of Transportation authority related only to commercial launch operations of expendable launch vehicles. The legislation does not extend to government launch activities, which shall continue unchanged with responsibility remaining with agencies performing such activities. Therefore, parties utilizing government operated launch systems, such as the Space Shuttle, would not be required to satisfy the Act's requirements. The Committee is aware that some policy areas concerned with government launch activity bear a close relationship to, or otherwise may have an effect on, commercial launch operations, but intends that the policy apparatus for government launch activity be unaffected by the bill. An example is Shuttle pricing and associated policies related to the space shuttle and other government launch activites. NASA currently exercises principal authority and responsibility over such policies, and will continue to do so.

General Responsibilities of the Secretary and Coordination with Other Agencies

Under the bill, the Secretary is responsible for carrying out the Act, which shall include encouraging, facilitating, promoting, and licensing commercial space launch operations by the private sector and consulting with other agencies to provide consistent application of licensing requirements and to ensure fair and equitable treatment for all licensing applicants. In addition, and to the extent permitted by law, Federal agencies are to assist the Secretary as necessary in carrying out this Act.

Continuing, timely, realistic, and full consultation between the Department of Transportation and other agencies will be fundamental to the sucess of the legislation and the effectiveness of the commercial launch licensing process.

H.R. 3942 vests comprehensive authority related to commercial space launch activities in the Secretary of Transportation. In carrying out this responsibility, the Secretary will be required to make determinations on commercial space launches that concern the public safety, foreign policy and national security interests of the United States. In reaching these determinations, consultation between the Secretary and the Federal agency with authority and expertise in these areas will be essential, and is in fact required by the bill. This consultation process will be continuous throughout the licensing process. For example:

DOT will establish licensing requirements by regulation which will provide for national security, foreign policy and public safety considerations. In developing these requirements, DOT will ensure that appropriate aspects of existing laws and treaties are addressed and covered in licenses authorizing commercial launch activities.

DOT is also authorized to impose additional requirements that are considered necessary to provide for the public safety, foreign policy and national security concerns but are not covered by existing law. Similarly, DOT is authorized to waive licensing requirements on an individual launch basis if DOT determines such action is in the public interest and would not jeopardize the public safety, national security and foreign policy. Moreover, DOT may act to prevent the launch of a payload by a private party if that payload jeopardizes the public safety, national security or foreign policy.

In each case, determinations made by the DOT would not be unilateral, but would be reached through consultation, and sometimes negotiation, with other affected agencies.

The Committee is convinced that an effective regulatory scheme for commercial launch operations requires the vesting in a single agency of relevant authority concerning commercial space launch operations.

Without such authority, the Department's role as a lead agency for commercial launch operations would be minimal. The regulatory scheme envisioned by this legislation will necessarily involve an overlapping of authorities between the Department of Transportation and other agencies of the Executive Branch. The Committee anticipates that in most cases the Department will not duplicate, but will utilize, the expertise that exists in other agencies. Decisions of the DOT Secretary that arise during the licensing process would thereby reflect that expertise and guidance. The bill's requirements for consultation between the DOT and other agencies, reciprocal cooperation from other agencies, and an appeals process for license applicants, should combine to effect a workable and strong regulatory system for the oversight of commercial launch operations.

Payloads Launched by Private Parties

The Committee recognizes that the government must exercise oversight of payloads launched into space by private parties to ensure public safety and to provide for national security and foreign policy interests of the United States. In its consideration of H.R. 3942, the Committee chose to rely on the existing legal apparatus to oversee payloads because it is separate from those that pertain to launch operations. The Committee, however, has recommended the Department of Transportation be provided with authority to examine payloads launched by private parties to determine compliance with licenses issued under this Act and to prevent the launch of any payload if it is unsafe or would jeopardize national security or foreign policy. Aside from this examination as a condition for launching by licensee under this Act, payloads are not required to be licensed under this Act.

In conferring the authority to examine payloads upon the Department of Transportation, the Committee envisions the Department performing a function analogous to that performed by NASA in overseeing payloads carried on the Space Shuttle. Before launching any payload, NASA follows a careful procedure to ensure safety to the launch vehicle. NASA also evaluates, in consultation with the Department of State and the Department of Defense, the mission purpose of a payload to ascertain national security and for-

eign policy implications. NASA will not launch a payload if a determination is made that the payload would jeopardize foreign policy or national security.

It is intent of the Committee that the Department of Transportation perform these same activities with respect to launch operations conducted by private parties under a license issued by the Department. In performing this function, the Department *should not act contrary* to a national security or foreign policy determination made by another agency in the course of granting an approval for a payload by such agency.

The Committee notes that the only class of payloads currently licensed by the Federal Government are communications satellites. These payloads are licensed by the Federal Communications Commission under the Communications Act of 1934, as amended. That process includes public notice and comment and review of public interest, foreign policy, and national security concerns. The Committee believes that since an effective regulatory process already exists for communications satellites, a duplicative process exercized by the Department of Transportation would be unnecessary and unjustified. The bill reported here, therefore, is not intended to supersede the provisions of the Communications Act of 1934, as amended, or its implementing regulations or executive orders. This bill, particularly section (6), does not give the Secretary authority to override or modify any decision by the FCC or the designated officers of the Executive Branch to authorize the launch and operation of a communications satellite. The FCC, however, must certify to the Secretary that a communications satellite to be launched by a licensee under this Act has obtained the necessary license and approvals from the FCC before it may be launched. The Committee intends that the Secretary not review or otherwise evaluate the merits of communications satellites licensed and approved by the FCC, other than to assure the proper integration of such payload with the launch vehicle and its launch into orbit.

Finally, the Committee notes that H.R. 5155, which has passed the House, contains provisions for the licensing of privately owned remote-sensing satellites. Such payloads, when licensed, would be treated like communications satellites licensed by the FCC.

VII. OVERSIGHT FINDINGS AND RECOMMENDATIONS

The following statement is made pursuant to Rule XI, Clause 2(l)(3) of the Rules of the House of Representatives, and under the authority of Rule X, Clause 2(b)(1) and Clause 3(f).

The results and findings from the Committee's oversight activities are incorporated in the recommendations found in the present bill and report.

VIII. CONGRESSIONAL BUDGET ACT INFORMATION

Pursuant to section 403 of the Congressional Budget Act of 1974 and Rule XI, Clause 2(l)(3) of the Rules of the House of Representatives, the cost estimate of the Congressional Budget Office follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., May 25, 1984.

Hon. DON FUQUA,
Chairman, Committee on Science and Technology, House of Representatives, Rayburn House Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: The Congressional Budget Office has reviewed H.R. 3942, the Commercial Space Launch Act, as ordered reported by the House Committee on Science and Technology, May 23, 1984. CBO estimates that this bill will cost approximately $4 million in 1985, increasing to an estimated $5 million per year by 1989, based on authorization set in the bill. These costs may be offset by any reimbursements collected from the sale of government launch facilities or equipment. No estimate of the magnitude of these reimbursements can be made.

The bill requires that any individual who desires to launch space vehicles in the United States receive a license from the Secretary of Transportation. In addition, no one possessing a license can launch a payload unless the payload complies with all requirements of federal law. The bill also allows the lease or sale of launch facilities of the United States to the private sector. The Secretary shall establish and collect reimbursements for the use or acquisition of these facilities. The amount of the reimbursement in the case of sales shall be the fair market value or benefit to the recipient, whichever is greater. In the case of temporary use, reimbursement shall equal the direct cost incurred by the United States. The bill authorizes appropriations of $4 million in 1985 and such sums as may be necessary for fiscal years 1986 through 1989.

Enactment of this bill will result in no costs to state or local governments.

If you wish further details on this estimate, we will be pleased to provide them.

Sincerely,

RUDOLPH G. PENNER

IX. EFFECT OF LEGISLATION ON INFLATION

In accordance with Rule XI, Clause 2(l)(4) of the Rules of the House of Representatives, this legislation is assessed to have no inflationary effect on prices and costs in the operation of the national economy.

X. CHANGES IN EXISTING LAW MADE BY THE BILL AS REPORTED

If enacted, this bill would make no change in existing law.

XI. COMMITTEE RECOMMENDATION

On May 23, 1984, a quorum being present, the Committee ordered favorable reported the bill by voice vote.

APPENDIX A

FEDERAL APPROVAL PROCESS FOR COMMERCIAL SPACE LAUNCHES

Department/agency	Nature of approval	Controlling authority
PRIMARY APPROVALS		
Department of State:		
[Office of Munition Control]	Grants export license—"Licenses for Temporary Export of Unclassified Defense Articles" which addresses national security & foreign policy concerns.	Arms Export Control Act, 22 U.S.C. 2778: ITAR Regs, 22 CFR § 121.01 (Munitions list).
	May set liability insurance to ensure compliance with international treaties. Registers all space objects launched from U.S.	Outer Space Treaty, Article VI, VII Treaty on Principles Governing the Activities of States in Exploration and Use of Outer Space, including Moon & other celestial bodies, Octoer 10, 1967. Convention on International Liability for Damage Caused by Space Objects, October 9, 1973. Convention on Registration of Objects launched into Outer Space.
Department of Transportation:		
FAA	Exemption for rocket travel through aerospace (if launched in U.S.). FAA addresses safety aspects & issues approval through Dept. of State, if launched from international waters. Controls airspace, processes request for restricted airspace.	Federal Aviation Act of 1958 (49 U.S.C. § 1341 et. seq.) Federal Aviation Regs. (14 CFR Pts. 1–199).
U.S. Coast Guard	Keeps water traffic within 3 mile limit away from launch sites and trajectory. Assures seaworthiness & security of any vessel carrying rocket to or from launch site.	Ports and Waterways Safety Act (33 U.S.C. 1225) § 6, and 1223(c) § 4c.
Materials Transportation Bureau	Exemptions from regulations for transport of hazardous material (life of exemption—2 years).	Chapter 33, Title 46, USC; 144 U.S.C. 2.
Bureau of Motor Carrier Safety		
Federal Communications Commission	Radio Operations License & Frequency Allocation.	Communications Act of 1934, as amended 47 U.S.C. § 151 et seq./Regs 47 CFR 0–99.
POTENTIAL AUTHORITY/APPROVALS WHICH MAY BE EXERCISED		
NASA	Provides technical advice on vehicle ground, flight safety requirements & may provide equipment. Authority to impose reg. conditions.	National Aeronautics and Space Act of 1958. § 203 (42 U.S.C. 2473).
Department of Commerce	Grants export license, if launch or payload is classified under Commodity Control list (strategic items whose export outside of West is controlled) and is not licensed as "munition" under the ITAR.	Export Administration Act of 1979, as amended (P.L. 96–72); Implementing regulations—15 CFR, Chap. III, Subc. C, parts 368 to 399, inclusive.
Department of Defense	Reviews launch proposals relative to transfer of defense technology	Arms Export Control Act, ITAR, 10 U.S.C. 172 29 CFR Part 1960.
Air Force	Can impose conditions relative to use of KSC and Eastern Space & Missile Center.	DOD–NASA Agreement 1–17–63. DOD Directive 3200.1 (9/29/80).
North American Aerospace Defense Command.	Addresses collision avoidance—passes on suitability of desired orbit. Tracks space objects.	None.
	Initiates communication with Soviet Union if rocket poses threat to USSR.	Treaty.

FEDERAL APPROVAL PROCESS FOR COMMERCIAL SPACE LAUNCHES—Continued

Department/agency	Nature of approval	Controlling authority
Navy	Operates tracking stations. Conducts operations off West Coast.	
Bureau of Alcohol, Tobacco & Firearms	Arms import license, (if explosive devices are imported); Registration of Firearms.	ITAR/relative to importation of arms and munitions into United States. Gun Control Act of 1968 (18 U.S.C. 44)
Internal Revenue Service	Registration and Payment required to import firearms.	Gun Control Act of 1968 (18 U.S.C. 44) Communications Act of 1934, as amended.
Control Intelligence Agency	Ensures consideration of all aspects of national security.	National Security Act of 1947, as amended § 102 (150 U.S.C. 403). Central Intelligence Agency Act of 1949 (50 U.S.C. 403a et. seg.).
Arms Control & Disarmament Agency	Revises launch operation relative to existing arms control agreements and those being negotiated.	Arms Control & Disarmament Act (22 U.S.C. 2551 et. seq.).
Occupational Safety & Health Administration	Develops, enforces employee health and safety standards.	Williams-Steiger Occupational Safety and Health Act of 1970, § 5 (29 U.S.C. 654) and § 6 (29 U.S.C. 655).
Environmental Protection Agency	Regulates handling, treatment, storage and disposal of hazardous substances and wastes.	Comprehensive Environmental Response, Compensation, and Liability Act (Superfund Statute) (40 CFR Subch. J).
	Establishes air and water pollution standards which states enforce on industry.	Resource Conservation and Recovery Act (40 CFR Subch. 1). Clean Air Act (40 CFR, Subch. C, Pts. 52, 53). Clean Water Act (40 CFR, Subch. D, Pt. 123).
	Reviews environmental impact statements. (These may affect launch site selection.)	National Environmental Policy Act—CEQ regs (40 CFR Chapter V).

APPENDIX B

FEBRUARY 24, 1984.

EXECUTIVE ORDER No. 12465

COMMERICAL EXPENDABLE LAUNCH VEHICLE ACTIVITIES

By the authority vested in me as President by the Constitution and laws of the United States of America, and in order to encourage, facilitate and coordinate the development of commercial expendable launch vehicle (ELV) operations by private United States enterprises, it is hereby ordered as follows:

Section 1. The Department of Transportation is designated as the lead agency within the Federal government for encouraging and facilitating commercial ELV activities by the United States private sector.

Sec. 2. *Responsibilities of Lead Agency.* The Secretary of Transportation shall, to the extent permitted by law and subject to the availability of appropriations, perform the following functions:

(a) act as a focal point within the Federal government for private sector space launch contacts related to commercial ELV operations;

(b) promote and encourage commercial ELV operations in the

same manner that other private United States commercial enterprises are promoted by United States agencies;

(c) provide leadership in the establishment, within affected departments and agencies, of procedures that expedite the processing of private sector requests to obtain licenses necessary for commercial ELV launches and the establishment and operation of commercial launch ranges;

(d) consult with other affected agencies to promote consistent application of ELV licensing requirements for the private sector and assure fair and equitable treatment for all private sector applicants;

(e) serve as a single point of contact for collection and dissemination of documentation related to commercial ELV licensing applications;

(f) make recommendations to affected agencies and, as appropriate, to the President, concerning administrative measures to streamline Federal government procedures for licensing of commercial ELV activities;

(g) identify Federal statutes, treaties, regulations and policies which may have an adverse impact of ELV commercialization efforts and recommend appropriate changes to affected agencies and, as appropriated, to the President; and

(h) conduct appropriate planning regarding long-term effects of Federal activities related to ELV commercialization.

Sec. 3. An interagency group, chaired by the Secretary of Transportation and composed of representatives from the Department of Stae, the Department of Defense, the Department of Commerce, the Federal Communications Commission, and the National Aeronautics and Space Administration, is hereby established. This group shall meet at the call of the Chair and shall advise and assist the Department of Transportation in performing its responsibilities under this Order.

Sec. 4 *Responsibilities of Other Agencies.* All executive departments and agencies shall assist the Secretary of Transportation in carrying out this Order. To the extent permitted by law and in consultation with the Secretary of Transportation, they shall:

(a) provide the Secretary of Transportation with information conerning agency regulatory actions which may affect development of commerical ELV operations;

(b) review and revise their regulations and procedures to eliminate unnecessary regulatory obstacles to the development of commerical ELV operations and to ensure that those regulations and procedures found essential are administered as efficiently as possible; and

(c) establish timetables for the expeditious handling of and response to applications for licenses and approvals for commercial ELV activities.

Sec. 5. The powers granted to the Secretary of Transportation to encourage, facilitate and coordinate the overall ELV commercialization process shall not diminish or abrogate any statutory or operational authority exercised by any other Federal agency.

Sec. 6. Nothing contained in this Order or in any procedures promulgated hereunder shall confer any substantive or procedural right or privilege on any person or organization, enforceable against the United States, its agencies, its officers or any person.

Sec. 7. This Order shall be effective immediately.

RONALD REAGAN.

THE WHITE HOUSE, *February 24, 1984.*

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